



OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



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Comptroller

Internal Audit Section

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Memorandum

To: Tom Jones, Director SLATE
From: Sedrick D. Blake, CPA, Audit/Fiscal Executive
Date: September 24, 2007
Re: A-133 Audit Review Response – Employment Connection

A review of the attached A-133 Audit dated April 5, 2007 for the above was conducted by this office on September 21, 2007.

The following information is provided:

AGENCY: Employment Connection

AUDIT PERIOD: Calendar Year Ended December 31, 2006

Program Title	Federal CFDA Number	Pass-through Identification Number	Expenditures	Major Program
U.S. Dept. of Labor--Passed through SLATE: Welfare to Work Workforce Investment Act				
Youth	17.259	226-06	\$139,931	No
Adult	17.258	226-07	\$36,055	No
		116-07	\$8,405	No
U.S. Department of Health and Human Services: Passed through SLATE	93.558			
TANF		663-06	\$703,019	Yes
		663-07	\$585,144	Yes
		693-07	\$19,392	Yes

Unqualified opinions were rendered on both the general purpose financial statements as well as the report issued on compliance for major programs. The Agency qualified as a low risk auditee as defined by OMB Circular A-133.

However, the independent auditors identified three significant deficiencies not considered to be material weaknesses regarding Employment Connections Financial Statements. There was inadequate documentation of

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all five components of internal control. The Organization did not have in place a fraud policy and did not perform a formal fraud risk assessment. Bank reconciliations were not being performed in a timely manner.

We compared the contract amounts reported on the Schedule of Expenditures of Federal Awards (SEFA) with City records and noted the following variances.

<u>Contract Number</u>	<u>City Records</u>	<u>SEFA</u>	<u>Variance</u>
226-07	\$10,925	\$36,055	\$25,130
663-06	\$690,581	\$703,019	\$12,438
663-07	\$573,182	\$585,144	\$11,962

We recommend SLATE reconcile Employment Connections' SEFA with their records and a corrected SEFA issued, if necessary. We recommend SLATE accept the A-133 Audit Report.

If you have any questions concerning the findings of this review, please contact me at 589-6132.

cc: Mohammad Adil